



[www.accountests.com](http://www.accountests.com)

## Cost Accounting Skills & Knowledge Test Report

---

**Steven Withington**  
Email: [steven@accountests.com](mailto:steven@accountests.com)  
Date: 29/10/2015

**Time taken: 25:19**  
Started on: 29/10/2015 21:21  
Ended on: 29/10/2015 21:46

### Introduction

The Cost Accounting Test is designed for candidates who are Cost Accountants and are likely to be members of a professional accounting body (e.g. CPA, ICAEW, CIMA, CAANZ etc).

### Waiver & Limitations

Accountests reports are an indicator of Accounting and Bookkeeping knowledge and skills only. These tools work at their best in conjunction with competency based interview questions to both the candidate and their referees, personality profiles, and ability tests to reach a strong decision on whether to appoint the candidate into a role. Because successful candidate selection is based on personality and ability as well as skills and knowledge, Accountests Ltd accepts no responsibility for selection or other decisions made using this tool and cannot be held liable for the consequences of doing so.

### Unsupervised Test Scores

All online screening tests provide an estimate of the candidate's abilities, knowledge and skills. However, they do so on the assumption that the tests were completed unassisted and under standard conditions. These conditions cannot be assured if these tests have been completed unsupervised.

For a more reliable assessment, it is recommended that if this screening test was completed unsupervised, it is followed up by supervised test at a later stage in the selection process.

### Context

This report is generated from the candidate's responses to 40 questions covering Costing Theory, Variances, Practical Situations and Accounting. Questions are also divided into Basic, Intermediate and Advanced categories to test the extent of each candidate's skills and knowledge.

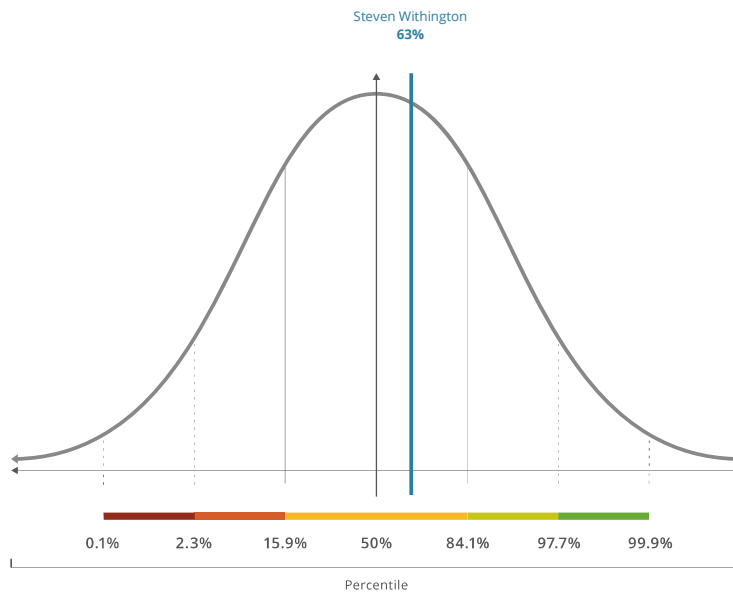
### Norm Group

The report also compares a candidate's performance in this test against a norm group of other International Cost Accountants to provide an estimate of skills and knowledge in comparison with their peers.

### Content

1. Overall test score compared to International Cost Accountants Norm Group
2. Overall test score as Questions Correct, Incorrect and Omitted
3. Test performance in Basic, Intermediate and Advanced Questions
4. Test performance in Costing Theory, Variances, Practical Situations and Accounting
5. Performance in each of the 40 Questions
6. Interpreting test scores

**Comparative Performance**



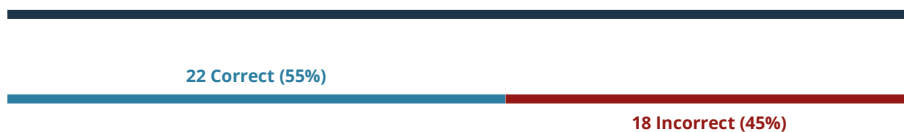
(likely discrepancies in percentage may be observed due to number rounding off of decimal places)

When compared to the existing norm group, Steven Withington scored in the 63<sup>th</sup> percentile on this test, suggesting that she would achieve a greater than or equal score to 63 in 100 Cost Accountants.

Whilst percentile scores give a valuable indication of a candidate's score in relation to their peers, using this test in making a strong decision on whether to recruit or promote the candidate requires a deeper analysis of the candidates score in elements of accounting most applicable to the job. The following pages provide that depth of analysis.

**Score Summary**

40 Questions (100%)



**Analysis By Difficulty**

**Basic**

Performance in Basic questions covering Costing Theory, Variances, Practical Situations and Accounting. Cost Accountants at any level should perform strongly on these questions.

12 Questions (100%)



10 Correct (83%)



2 Incorrect (17%)

**Intermediate**

Performance at the level expected of competent mid tier Cost Accountants.

16 Questions (100%)



9 Correct (56%)



7 Incorrect (44%)

**Advanced**

Performance above the level expected of most Cost Accountants, or at the level of senior and experienced Cost Accountants.

12 Questions (100%)



3 Correct (25%)



9 Incorrect (75%)

**Cost Accountant test – Areas within this test cover:**

Variances

Identifying, interpreting and calculating production variances

**10 Questions (100%)**

6 Correct (60%)

4 Incorrect (40%)

Costing Theory

Demonstrating an understanding of costing methods and terminology

**10 Questions (100%)**

5 Correct (50%)

5 Incorrect (50%)

Practical Solns

Questions based on issues likely to face Cost Accountants on a day to day basis

**10 Questions (100%)**

7 Correct (70%)

3 Incorrect (30%)

Accounting

How to account for costing issues and inventory, including an understanding of international accounting standards

**10 Questions (100%)**

4 Correct (40%)

6 Incorrect (60%)

Performance in each of the individual questions

|    |                                 |                |       |   |
|----|---------------------------------|----------------|-------|---|
| 1  | Labour rate variance            | Variances      | Basic | ✓ |
| 2  | Gross margin vs Budget          | Variances      | Basic | ✓ |
| 3  | Disclosure of Variances         | Variances      | Basic | ✓ |
| 4  | Reasons for costing variances   | Variances      | Int   | ✓ |
| 5  | Costing variances               | Variances      | Int   | ✓ |
| 6  | Volume variance                 | Variances      | Int   | ✗ |
| 7  | Efficiency variance             | Variances      | Int   | ✗ |
| 8  | Materials variance              | Variances      | Adv   | ✓ |
| 9  | Materials variance              | Variances      | Adv   | ✗ |
| 10 | Pricing variance                | Variances      | Adv   | ✗ |
| 11 | Costing terminology             | Costing Theory | Basic | ✗ |
| 12 | Types of costs                  | Costing Theory | Basic | ✓ |
| 13 | Costing methods                 | Costing Theory | Basic | ✓ |
| 14 | Economic order quantities       | Costing Theory | Int   | ✗ |
| 15 | Absorption costing              | Costing Theory | Int   | ✓ |
| 16 | Economic order quantities       | Costing Theory | Int   | ✗ |
| 17 | Why use Activity Based Costing? | Costing Theory | Int   | ✓ |
| 18 | Activity Based Costing issues   | Costing Theory | Adv   | ✗ |
| 19 | Costing terminology             | Costing Theory | Adv   | ✓ |
| 20 | Direct costing                  | Costing Theory | Adv   | ✗ |

Basic
 Basic
 Int
 Intermediate
 Adv
 Advanced

✓ Correct
 ✗ Incorrect
 ○ Omitted

|    |                                     |                 |       |   |
|----|-------------------------------------|-----------------|-------|---|
| 21 | Identifying direct costs            | Practical Solns | Basic | ✓ |
| 22 | Costing in a service business       | Practical Solns | Basic | ✓ |
| 23 | Inventory Turnover                  | Practical Solns | Basic | ✓ |
| 24 | Process costing                     | Practical Solns | Int   | ✓ |
| 25 | Absorption costing                  | Practical Solns | Int   | ✓ |
| 26 | Variable costs                      | Practical Solns | Int   | ✓ |
| 27 | Variable costs                      | Practical Solns | Int   | ✗ |
| 28 | Costing for Multi Channel Retailers | Practical Solns | Adv   | ✗ |
| 29 | Transfer prices                     | Practical Solns | Adv   | ✗ |
| 30 | Direct costing                      | Practical Solns | Adv   | ✓ |
| 31 | Journals for inventory              | Accounting      | Basic | ✓ |
| 32 | Journals for staff costs            | Accounting      | Basic | ✓ |
| 33 | Interpreting trial balance          | Accounting      | Basic | ✗ |
| 34 | Inventory accounting standards      | Accounting      | Int   | ✓ |
| 35 | Job Costing                         | Accounting      | Int   | ✓ |
| 36 | Product pricing                     | Accounting      | Int   | ✗ |
| 37 | Journals for Inventory              | Accounting      | Int   | ✗ |
| 38 | By-Product costing                  | Accounting      | Adv   | ✗ |
| 39 | Accounting for lease costs          | Accounting      | Adv   | ✗ |
| 40 | Inventory valuation                 | Accounting      | Adv   | ✗ |

Basic
 Basic
 Int
 Intermediate
 Adv
 Advanced

✓ Correct
 ✗ Incorrect
 ○ Omitted

### **Interpreting Test Scores**

---

The following information provides a guide on how to interpret the results of a candidate test.

#### **Percentile Scores**

---

Percentile scores measure your candidate against a norm group of other Cost Accountants worldwide.

Percentile Scores rank your candidate against the norm group of other Cost Accountants. For example, if your candidate achieves a 65th Percentile Score, then you can expect them to achieve a higher score than 64 in 100 Cost Accountants. A 20th Percentile Score would suggest they would achieve a higher score than 19 in 100 Cost Accountants.

The higher the percentile score achieved by your candidate, the better they have performed against that norm group.

Some high volume recruiters will decide that all new recruits must be at least as skilled and knowledgeable as most of the norm group and will set a benchmark of 50th Percentile. All candidates scoring below this benchmark are rejected. Employers with smaller numbers of candidates, or the time to thoroughly assess each candidate, tend to analyse pages 4 to 7 of this report to determine whether each candidate exceeds the knowledge benchmark for selection into their vacant position, falls substantially short of that benchmark to the extent that they should be rejected, or has clearly identified current shortfalls that need to be addressed as a priority during the induction and on-boarding process.

#### **Overall Scores**

---

An overview of test performance provides a summary of on how many questions your candidate completed in the allocated time of 30 minutes, in terms of how many questions they got correct, incorrect and the number of questions omitted.

You can use this information to identify candidates with lower percentile scores, but high degrees of accuracy, suggesting they worked slowly but accurately in the test, which may keep them in the selection process.

### **Omitted Questions**

---

Attention should be paid to the number of questions omitted. Because the test is timed, questions are omitted where a candidate chooses to skip a question and also where they run out of time.

To determine whether your candidate ran out of time, look at the cover page to see the time they took to complete the test. If the time is 30:00, then the candidate was still working on the test when their time expired.

#### **Basic, Intermediate & Difficult Questions**

---

This page lists the number of questions categorised as Basic, Intermediate and Advanced across the 40 questions of the test, with your candidates performance in each category.

This can provide value in determining the skill and knowledge levels your candidate possesses now against the skill level required to perform the job they have applied for.

#### **Cost Accounting Areas**

---

For each of the four Topics in this test, you can see the number of questions the candidate answered correctly, incorrectly and questions omitted.

Hiring managers only interested in one or two topics can concentrate on a candidate's performance in topics essential to success in the role.

#### **Individual Questions**

---

The most detailed level of the report lists all 40 questions topics, whether they were answered correctly, incorrectly or omitted, allowing selection panels to drill down to explore particular elements of accounting most important to their organisation, and their candidates performance against those questions.